REMARKS

Claims 1-25 are pending in this application. Claims 1, 3, 5, 6, 24 and 25 are the independent claims.

As an initial matter, the courtesies extended by the Examiner at the July 25, 2000, interview with Applicant's representative M.P. Sandonato are hereby gratefully acknowledged.

The Office Action rejected claims 1-5 and 24 under 35 U.S.C. §102(a) as anticipated by U.S. Patent No. 5,794,207 to Walker et al; and rejected claims 6-23 and 25 as obvious from Walker in view of U.S. Patent No. 5,809,484 to Mottola et al. These rejections are respectfully traversed.

As recited in each of independent claims 1, 3, 5, 6, 24 and 25, the present invention relates to a system or method for allowing plural participants to prepay for services or goods to be received at a later date from one of a plurality of specified providers. In the invention, contracts are executed between an administrating entity and each of the participants, in which the participant pays a cash amount to the administrating entity and in return receives a promise to deliver at a future date a specified measure of services or goods, to be provided by whichever of the providers the participant selects. For each of the specified providers, a predicted total measure of services or goods that will be required from the aggregate of the participants is determined. Then, contracts are executed

between the administrating entity and each of the plurality of specified providers, in which the administrating entity pays a cash amount to the provider, and in return receives a promise to deliver a specified measure of services or goods.

To illustrate an example, and without limiting the broad applicability of claims 1, 3, 5, 6, 24 and 25, the present invention may be used to implement a pre-paid college tuition program. In such a system, parents (participants, in the parlance of the claim) prepay tuition for college education (a good or service, in the parlance of the claim), to be received when their child reaches college age (a later date, in the parlance of the claim) from any one of several colleges (a plurality of specified providers, in the parlance of the claim). Contracts are executed between an administrating entity and each of the parents, in which the parents make a tuition prepayment, and receive a promise to deliver in the future a specified measure of educational services (such as, for example, a year of schooling) from whichever of the specified colleges the parent selects. For each college, a predicted total measure of schooling that will be required from the aggregate of the parents in the program is determined. Then, contracts are executed between the administrating entity and each of the colleges, in which the administrating entity pays a cash amount to the college, and in return receives a promise to deliver a specified measure of schooling.

Walker relates to a method of effecting a so-called "reverse auction," that allows a buyer interested in good or service to specify the price that he or she is willing to pay. The Walker system is implemented by inputting into a computer a conditional purchase offer (CPO), stating the price the buyer is willing to pay and the specifics of the goods or services desired. A payment identifier is also input to the computer. The computer then outputs the CPO to a plurality of sellers. Any seller willing to accept the CPO then notifies the computer, which in turn provides the payment identifier to the seller so that the transaction can be finalized.

A well-known example of the Walker method is the world-wide-web based services offered by Priceline.com, which enable buyers of airline tickets to "name their own price." The buyer enters the price he is willing to pay for a specific ticket or tickets and a credit card number to the Priceline Server; the offer is communicated by the Priceline Server to several airlines; an airline wishing to fill the offer responds to the Priceline Server; and the responding seller is provided with the buyer's credit card number so that the transaction may so consummated.

In Walker, the transaction is entered into between the buyer and the seller. The central computer never enters into any type of contract or transaction with anybody. Rather, it is simply an information conduit, that receives

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CPOs and payment identifiers from buyers, forwards the CPOs to a plurality of sellers and, if the CPO is accepted by a seller, provides that seller with the buyer's payment identifier so that the deal can be consummated. Thus, the computer is a passive "middle man" which conveys information between buyers to sellers, and does nothing else. The computer takes no part in the transaction itself, other than communicating the information. The transaction is strictly between the buyer and the seller.

In the present invention as recited in independent claims 1, 3, 5, 6, 24 and 25, in stark contrast, the administrating entity is not a mere information conduit, but rather an active and integral part of the transactions. Specifically, the administrating entity executes contracts with the participants, in which it receives cash and in return makes a promise to deliver goods or services; and executes contracts with the providers in which it pays cash and in return receives a promise to deliver goods or services.

Mottola relates to a program in which the tuition of students accepted into the program is paid for by funds invested by investors, in return for an agreement by the students to assign a percentage of their future income for a limited time period to the plan. This system, however, is merely a replacement for traditional student loan plans, such as the Stafford Loan program, the Perkins Loan program and

the Supplemental Loan program, and requires a student, after graduation, to pay back money that was provided. Mottola, therefore, does not correct the deficiencies of Walker.

The remaining claims all depend from one of the independent claims discussed above, and are believed to be patentable for the same reasons. In addition, these claims recite additional patentable features of the present invention, and individual consideration of each is respectfully requested.

CONCLUSION

In view of the foregoing remarks, the Examiner is respectfully requested to remove the rejections and allow the pending claims.

Applicant's undersigned attorney may be reached in our New York office by telephone at (212) 218-2100. All correspondence should continue to be directed to our address given below.

Respectfully submitted,
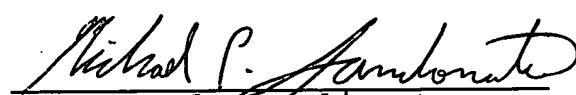
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